



MTSBA

"...fostering excellence in public education
through
school board leadership."

TO: House Taxation Committee

FROM: Lance Melton, Executive Director
Montana School Boards Association

RE: House Bill 701

DATE: 2/15/2007

EXHIBIT 6
DATE 2.15.07
HB 701

The Montana School Boards Association appreciates Representative Glaser's introduction of House Bill 701. Like with any funding bill this session, our position on House Bill 701 is driven by the primary funding resolution adopted by our membership, a copy of which I have attached for your review and information.

As you can see from our members' resolution, MTSBA strongly supports additional funding to ensure the ability of our public schools to provide for the basic system of free quality schools defined and promised by the Montana Legislature. The existing resources in our public schools are insufficient for our members to address the specific needs of our at-risk and special needs populations. Whether you are looking at graduation rates, test scores or other indicators of success, it is clear that the state of Montana and our public schools are currently failing to adequately address the needs of a third of the children living in Montana. HB 701's focus on addressing the needs of populations with special needs through the dropout retrieval, gifted and talented and at risk funds is appreciated and will make a difference for the children we are not currently reaching in our public schools.

If we are going to address the impacts of poverty on quality education for our children, we will need everyone to work together to make it happen, Republicans and Democrats, Legislators and School Boards, the Governor and Superintendent of Public Instruction. Between the proposals of the Governor, the Superintendent of Public Instruction and Representative Glaser, there are the makings of a solution that would advance the interests of children and which would put the state closer to addressing and logically funding the kind of education promised to Montanans under 20-9-309, MCA.

Suggested Amendments:

1. We request that ***all*** entitlements that make up the state's distribution to school district general fund budgets be adjusted by 3.8% for both of the coming two years. This amount is the current CPI-U inflation amount, according to the Bureau of Labor Statistics. By inflation-adjusting only the basic and per-ANB entitlements and doing so by inflation that is no longer educationally relevant, House Bill 701 provides insufficient funds to account for the cost pressures school districts will face in the coming two years.
2. It appears as though HB 701 could unintentionally reduce state funding of special education. In section 10, amendments to subsection (3), HB 701 strikes "140%" and inserts "100%" of allowable special education costs. This amendment would appear to

substantially reduce the amount of special education funding provided to districts at the BASE funding level. This language needs to be restored to "140%"

3. HB 701 is laudable in proposing funding to tackle the problems faced by children who are at risk for failing. Another key area where schools can make headway to address the disparities in achievement between those who live in poverty and those who do not is through fulltime kindergarten. If this is to be a comprehensive bill to address the needs of our schools, fulltime kindergarten needs to be included.
4. HB 701 replaces a quality educator payment with a classroom entitlement and the increased funding committed to recognizing the costs of the classrooms in public schools is well-appreciated. Our understanding of the model used to calculate the classrooms is that not all classrooms currently existing in our public schools are recognized. The two enrollment categories hit hardest by this calculation are elementary districts with enrollments of 50-149 and high school districts with enrollments in excess of 1,250. We would appreciate consideration of amendments that would either retain the quality educator payment and fund it with the funds intended to be spent on the classroom units, or amendments that would recognize all classrooms that currently exist in our public schools.
5. We request that House Bill 701 be amended to go back to a prorated elementary entitlement, with kindergarten enrollment included in that proration at $\frac{1}{2}$ the rate of ANB, regardless of whether a school district implements full time kindergarten or not. This will ensure that the current process for prorating the elementary entitlement remains in place without any harm inflicted on a district that implements full time kindergarten (should that amendment be accepted) and without any harm inflicted on a school district that chooses not to do so.

Summary:

We believe that House Bill 701 contains many important and valuable concepts that deserve to be part of the mix in considering how to address the needs of children in our public schools and the property taxpayers who have seen their school district taxes rise from \$75 million in 1991 to \$255 million today. How much of this bill can be funded without creating a structural imbalance in the state general fund is up for debate. That debate, however, should be resolved on the basis of reasonable projections of the Legislative Fiscal Division, whose staff have served the state well session after session and through a collaborative discussion among democrats and republicans in the House and Senate and Governor's office.

MTSBA FUNDING RESOLUTION - MAKE QUALITY EDUCATION THE PRIORITY

WHEREAS, a quality education for all the children of Montana is of highest priority to the Montana School Boards Association; and

WHEREAS, the State of Montana has made progress toward restoring constitutionality to its system of funding Montana's public schools in compliance with the State's obligations under Article X of the Montana Constitution through funding increases and amendments to law in FY06 and FY07, but has not fully complied with the terms of the relevant court orders in *Columbia Falls Elementary v. State* and has not yet complied with the provisions of HB 701.

BE IT RESOLVED AS FOLLOWS:

The Montana School Boards Association's Membership endorses the Montana School Boards Association's continued vigorous pursuit of the State's compliance with the terms of Article X of the Montana Constitution. The Montana School Boards Association must be a leader in ensuring that all children served in Montana's public schools are provided with access to an adequately funded basic system of free quality public elementary and secondary schools.

In pursuing the State's compliance with the terms of Article X of the Montana Constitution, the Montana School Boards Association's efforts should be focused on:

1. Enforcing the rights of children served in Montana's public schools as a named plaintiff in the case of *Columbia Falls Elementary v. State*, including the pursuit of enforcement of specific timelines for the state's compliance with its constitutional responsibilities; and
2. The pursuit and support of legislative and other remedies that include a focus on achieving:
 - a. Necessary changes to the current funding formula to address the current shortcomings in the formula;
 - b. Funding to empower local school districts in narrowing achievement gaps, complying with federal and state mandates and addressing the unique needs of all children served in Montana's public schools including gifted and talented students, through provision of an array of programs and services that education experts consistently report as important to improve at-risk performance, such as:
 - i. Early childhood education (e.g. full day kindergarten, lower class sizes in the primary grades);
 - ii. Before school, after school and summer programs;
 - iii. Tutoring;
 - iv. Reduction in class size and alternative learning programs for at-risk students;
 - v. Gifted and talented curriculum and programs as detailed in HB 701, in statute, and in Montana accreditation standards.
 - vi. Programs to enhance teacher professional development.
 - vii. Support funding for students who have not turned 20 by September 10th and have yet to complete the school district's graduation requirements.
 - c. An assurance of stable funding and support for implementation of Indian Education for All in Montana's public schools;
 - d. An improvement in salaries and benefits for employees of Montana's public schools with a focus on recruiting and retaining high quality educators and classified staff;
 - e. Facilities adequate to support the programs required for quality education including both operational and capital costs, and including pre-bond facility programming;
 - f. Any tax reform that may be necessary to ensure that the State has the capacity to comply with its constitutional responsibilities for K-12 public education.

Bureau of Labor Statistics' CPI-U Sheet

Consumer Price Index - All Urban Consumers

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	HALF1	HALF2
2002	1.1	1.1	1.5	1.6	1.2	1.1	1.5	1.8	1.5	2.0	2.2	2.4	1.6	1.3	1.9
2003	2.6	3.0	3.0	2.2	2.1	2.1	2.1	2.2	2.3	2.0	1.8	1.9	2.3	2.5	2.0
2004	1.9	1.7	1.7	2.3	3.1	3.3	3.0	2.7	2.5	3.2	3.5	3.3	2.7	2.3	3.0
2005	3.0	3.0	3.1	3.5	2.8	2.5	3.2	3.6	4.7	4.3	3.5	3.4	3.4	3.0	3.8
2006	4.0	3.6	3.4	3.5	4.2	4.3	4.1	3.8	2.1	1.3	2.0			3.8	